



Financial Assistance Award

DENALI COMMISSION
 510 "L" Street, Suite 410
 Anchorage, Alaska 99501
 (907) 271-1414

Project Number
 0001-DC1999-11 – Amendment No. 2

Accounting Code
 95X1200 95870000 95-67

Recipient Name
 State of Alaska, Alaska Energy Authority

Amendment No. 2 Funding
 \$ 24,000 (Emergency Projects)
 112,000 (AEA cost share)

Recipient Address
 333 West 4th Avenue
 Anchorage, AK 99501

Denali Commission Share of Cost
 \$ 10,500,000 (Bulk Fuel)
 \$ 5,750,000 (Power Generation)

Recipient Share of Cost
 \$ 8,677,000 (Bulk Fuel)
 \$ 1,778,000 (Power Generation)

Total Estimated Cost
 \$ 19,177,000 (Bulk Fuel)
 7,528,000 (Power Generation)
 136,000 (Amendment No. 2)
 \$ 26,841,000

Award Performance Period
 From July 1, 1999 to June 30, 2003

Authority
 112 Stat 1854

Project Title
 Bulk Fuel Consolidation Upgrades and Power Generation

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.

- EDA Standard Terms and Conditions Public Works and Implementations Construction Components, dated 3/99
- Special Award Conditions and Attachments
- Line Item Budget
- 15 CFR 24, Uniform Admin Requirements for Grants/Cooperative Agreements to State and Local Governments
- OMB Circular A-87, Cost Principles for State and Local Governments and Indian Tribal Governments
- OMB Circular A-133, Audits of States, Local Governments and Indian Tribal Governments
- 15 CFR, Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations
- OMB Circular A-122, Cost Principles for Nonprofit Organizations
- OMB Circular A-21, Cost Principles for Educational Institutions
- EDA Standard Terms and Conditions Capacity Building Programs
- Department of Commerce Financial Assistance Standard Terms and Conditions, dated 10/98
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Signature of Authorized Official - Denali Commission

Typed Name and Title

Jeffrey Staser, Federal Co-Chair

Date

12/15/99

Signature of Authorized Official - Alaska Energy Authority

Typed Name and Title

Percy Frisby, Director

Date

12-16-99

Award Conditions
Amendment No. 2 to the Financial Assistance Award
Project No. 0001-DC1999-I1 – Bulk Fuel Consolidation Upgrades & Power Generation
Alaska Energy Authority

The Financial Assistance Award is amended as follows.

1. This Amendment No. 2 to the Financial Assistance Award recognizes that the Division of Energy is now called the Alaska Energy Authority. All references in Amendment No. 1 to the Division of Energy shall be replaced with the Alaska Energy Authority.
2. The project scope of work is amended as follows.

A. Emergency bulk fuel tanks for Eagle:

A 12,000 gallon, double-walled capacity tank will be purchased and shipped to Tok, Alaska. AP&T, the electric utility providing power to the community of Eagle will make the necessary arrangements to transport the tank from Tok to Eagle for installation. The utility will connect the tank to the power plant by using a pump to allow transfers of diesel fuel. The tank will also be configured so that bulk transfers of fuel into the tank can be made easily and without spills. The tank will have all the necessary emergency venting and other appurtenances to meet applicable codes and regulations.

DOE Project Funds:	\$27,000
Denali Commission Funds:	<u>\$12,000</u>
Total Project Cost	\$39,000

B. Emergency bulk fuel tanks for Old Harbor:

A 12,000 gallon, double-walled capacity tank will be purchased and shipped to Old Harbor to meet the immediate need for heating fuel storage. The tank will be placed in the vicinity of the deep-water port and configured to receive deliveries from a barge. The tank will be equipped with a pump and hose to allow bulk transfers of heating fuel for distribution throughout the community. The design of the final consolidated tank farm will incorporate this new 12,000-gallon tank.

Since the new tank will not be ready for installation until after the first of the year, an interim fuel storage arrangement will be negotiated with AVEC. One existing 10,000 gallon AVEC tank will be isolated to store heating fuel for the community. A transfer pump will be used to make bulk transfers out of the tank for distribution throughout the community. Mutually agreeable conditions and restrictions for tank filling and bulk transfer procedures will be negotiated between AVEC and the community.

DOE Project Funds:	\$85,000
Denali Commission Funds:	<u>\$12,000</u>
Total	\$97,000

3. Commission funding for the three broad areas of a) bulk fuel construction, b) bulk fuel planning and design, and c) power generation is intended for use within these categories. For example, the \$10,000,000 in Commission funding for design and construction of bulk fuel consolidation upgrade projects (14 total) in 13 communities shall be used to complete the 14 projects first. Any surplus of funds on one of the 14 projects may be used on any of the other 14 projects that may be experiencing a project shortfall. The intent is not to set aside a specific sum of Commission funding to a particular community, but rather that these 14 projects are all completed successfully. In the event there is a balance of funding after all 14 projects are completed, then the Commission will determine how the excess funds will be allocated. The Commission reserves the right to allocate excess funds from one category to another (i.e., excess bulk fuel construction funding used for bulk fuel planning and design).
4. In the event of any conflict between the meaning and intent of provisions of Amendment No. 2 and Amendment No. 1 of this Financial Assistance Award, the provisions of Amendment No. 2 shall govern.